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## Gender and Economic Adjustment in Sub-Saharan Africa

The structural presence of women in economic production is largely invisible and overlooked. This in turn leads to incomplete and partial evaluation of economic outcomes, including the assessment of the impact of adjustment and its effects on the poor, and masks critical inter-linkages among sectors of economic activity and between the paid and unpaid economies. This further limits assessment of the potential supply response in the economy.

The original objectives of the conceptual work initiated in 1991 by the Africa Region Gender Team discussion were threefold. The first was to give voice to the concern increasingly articulated predominantly by women in Africa since the mid-1980s regarding the social costs of adjustment, and the impact of adjustment on women. This concern derived directly from their own experience during the 1980s and principally focussed at that time on the deterioration attributed to adjustment in the provision of social services in Africa. The second was to consolidate this experience of adjustment, with documented findings, as a means of helping Africans to frame a more informed debate about the origins, purposes and effects of structural adjustment. The third was to address the absence of attention to gender in upstream macro-economic analysis and policy formulation, which are at the core of designing adjustment programs and sectoral strategies.

### Structural Adjustment Programs

Structural adjustment programs (SAPs) and policies are essentially intended to improve the incentive structure, the trade regime, allocation of resources, and efficiency in the use of resources to stimulate growth. During the early 1980s these programs in SSA were chiefly preoccupied with stabilization through restoration of balance of payments and budgetary equilibria. However, they were overly optimistic as to the speed with which supply-side responses to price and incentive reforms would take place. Additionally, as noted previously, critics argue that the SAPs paid insufficient attention to their



"social implications." In per capita terms, real expenditures on health and education stagnated or declined between 1983 and 1989, as governments could not keep up with rapid population growth. It must be acknowledged that reduction of social sector expenditures, however, is not an intended effect of adjustment and was more pronounced in countries not adjusting. Nevertheless, a critical issue is how the adjustment process is managed, how shifts in priorities in allocating limited public funds occur, and how changes in the costs and benefits of these shifts are distributed in the economy. One of the acknowledged problems of early adjustment programs was the failure to specify the protection of core social expenditures in the design and implementation of the SAPs. As a result, in the late 1980s, analysis of social impacts were included, and protection of social sectors became the norm.

## Implications

The design of economic adjustment measures and the assessment of their impact on the behavior of economic agents, be they individuals, households, or firms, still tend not to consider gender as a distinguishing factor. While both men and women participate in and are affected by economic adjustment, what is often not recognized by policy-makers, is that this occurs in different ways, because men and women play different roles, and face different constraints in responding to economic policy changes and to shifts in relative prices and incentives. The failure to explicitly recognize gender-differentiated economic agents, and the extent to which these agents have differential access to, management and use of, and control over economically productive resources (land, labor, capital, technology, training) has implications for the productivity, flexibility and dynamism of the economy.

*Gender bias* (or "neutrality") in the underlying concepts and tools of economics has led to "invisibility" of women's economic and non-economic work and to an incomplete picture of total economic activity. This is in part because work that is not remunerated is not considered "economic" and is not "valued", and in part because of the existence of the "household" sector and the "informal" sector outside the conventional economic framework of national accounts and calculation of national product. The diversification of women's activities in the economy and within the household underpins the rationale for recognizing the important linkages and complementarities within and between sectors of activities. In the absence of a full accounting of economic activity, there is the risk that what is perceived in conventional economic analysis as efficiency improvements may in fact be a shift in costs from the visible (predominantly male) economy to the invisible (predominantly female) economy.

In neoclassical economic theory a number of simplifying and unrealistic assumptions are made about the nature and functions of households. For instance, it is assumed that all households are homogeneous units, within which household decisions are made jointly and resources shared equally. A critical factor in determining the impact of increases (or decreases) in overall household income consequent to structural adjustment, will be the type of household (male or female headed) and its related size, composition and dependency ratio. The specific intra-household impact of such increases (or decreases) in overall household income, will depend on the intra-household resource allocation process. Status, bargaining power and options of the parties concerned -- which in turn are largely a function of control over assets and income -- determine the outcome of this process. Resource allocations within households can subsequently be distorted or economically inefficient.

The gender division of labor critically defines women's and men's economic opportunities, constraints and incentives. It determines women's capacity to allocate labor time for "economically productive" activities and their differential capacity, flexibility, and mobility to respond to economic incentives.

As a result, labor mobility is limited, no matter what the "economic" incentives are.

The above analysis suggests that the improvement in the content of adjustment to include social dimensions still has farther to go in incorporating gender concerns.

## **Gendered Adjustment**

Improving the gender-responsiveness of adjustment is a means to improve adjustment itself. Adjustment measures that raise the labor requirements of women without corresponding actions to ease women's labor constraints (through labor-saving elsewhere or through complementary investment to improve the efficiency and accessibility of infrastructure and services), are not sustainable and should not be implemented. In order to increase the effectiveness of adjustment programs, both men and women must be heard as they participate in the design, implementation, and monitoring of these programs. The time constraints must be addressed directly. It has been shown that women play their multiple roles simultaneously, and therefore must seek to balance competing claims on their limited time. These choices and trade-offs in time allocation are at the core of the inter-relationships between sectors of activity, especially between the paid and the unpaid economy.

If adjustment and development programs are to achieve their intended objectives, then gender analysis must be a basic and integral part of the design of policies and programs aimed at economic growth and alleviating poverty. Gender analysis must specify the imbalances in the gender division of labor, the diversity and asymmetry of households and intra-household relationships, gender-based differentials in incentive capacity resulting from differential access to, and especially control over economically productive resources, and the implications of the invisibility of women's work in the economy for economic choices and strategies, and for evaluation of outcomes.

As a first step in promoting gendered adjustment programs, the SPA (Special Program of Assistance for Africa), sponsored, and the Norwegian Government hosted, a workshop in Oslo (March 1-2, 1994) to review the evidence that men and women have different experiences of the structural adjustment process. Under the co-chairs of the Norwegian Government and the World Bank, the workshop reviewed considerable documentation and analysis representing donor experience, research findings from a range of sources, and participants' knowledge of the theory and practice of structural adjustment and gender programming. While coverage and data are incomplete and the picture is complex, the workshop concluded that there is sufficient evidence to justify the inclusion of gender issues in the adjustment agenda, and formulated a number of follow-up action recommendations which were then unanimously approved by delegations at the subsequent plenary SPA forum as follows.

## **Toward Action in Adjustment**

The critical task is to address gender issues pro-actively through policy dialogue, consultative processes, data analysis, and the full range of operational instruments. This is primarily the job of government, but helped and supported by donors and research/training institutions. Most relevant to SPA, and to the future of Africa, is to pay explicit attention to gender-differentiated constraints and opportunities in the design and implementation of economic adjustment programs, and to utilize the newly developing sector investment instrument to address these differentials.

- Governments, donors, and the World Bank are urged to take action to address gender issues in the context of adjustment and to internalize the recommendations and thinking within their

own institutions and programs.

- It is important that the gender focus is "owned" by the adjusting countries and that positive policy dialogue with a view to agreed action, rather than conditionality, should be emphasized.

All key parties should develop a systematic focus on gender issues in structural adjustment and economic missions. These should identify situations in which special inputs could facilitate a stronger adjustment response. Building local and international capacity to undertake relevant gender analysis is critical. This could include:

- Gender training for economists in government ministries of finance and planning, and in multilateral and bilateral agencies.
- Training in economics for gender specialists in governments, NGOs, and in multilateral and bilateral agencies.
- Facilitate interaction between gender specialists and social scientists and economists within governments, and bilateral and multilateral agencies.

The elements of economic reform, discussed at the workshop in the context of the broader development agenda, where there is a need for much more careful attention to gender differences through gender analysis are:

- The functioning of markets (with particular focus on labor markets) in both urban and rural environments.
- The implications of structural adjustment for human resource development (with particular focus on gender-responsive social service provision and delivery).
- Sector policies: agriculture, education, health, urban.
- Gender-exclusionary bias of economic and financial services, such as agricultural research and extension, and enterprise credit.

Such economic reforms can be assigned a higher priority in adjustment operations when they are of particular value in overcoming an important constraint to women's participation in the economy. Developing the "win-win" situations of economic improvement and social improvement (including greater gender equity), from the elements of adjustment listed here, should be the targets of adjustment. Poverty Assessments, including a gender analysis, will be important in identifying these "win-win" situations.

Public expenditure analysis provides the basis for an integrated policy and sector investment approach, complementing the agreed policy framework. Public Expenditure Reviews (PERs) are a critical instrument for specifying gender-responsive investments and priorities.

- Where there is an appropriate macro framework and an integrated sector approach, the inclusion of gender- focused projects in the expenditure program is recommended as a means of removing some of the constraints limiting women's response to improved policy.
- This is especially important in addressing human resource development issues in the context of adjustment, where the gender dimension is seen as a key factor in achieving efficiency and equity.

Many of the objectives of the gendered adjustment strategy will be addressed most effectively by sectoral adjustment and investment operations, principally in education, agriculture, the financial sector, and the population, health, and nutrition sectors.

- Reform of policies in the social sectors needs to be based on an adequate social analysis of risks faced by various stakeholders (with particular attention to gender analysis) in the process and programs to be implemented. Gender-inclusive beneficiary assessment and participatory preparation will be important instruments in the preparation of these investments.
- The sectoral investment strategy should involve complementary adjustment lending and investment operations. Agriculture, small scale enterprise, infrastructure, employment generation and credit projects, along with education, health, water, family planning and nutrition projects, are most amenable to this approach, though the need to address gender issues cross-sectorally presents a particular challenge.

Whether under sectoral adjustment, hybrid, or investment operations linked to the macro framework, specific tools to enhance women's participation can be developed.

- PERs at the sectoral level (gender impact of various public expenditure categories) will be important.
- In education, various approaches can be adopted: targets for primary school budget share, agreed access and persistence targets, scholarships for girls, waivers of school fees for girls, adding female teachers, schools for girls, child care (so girls can attend), and curriculum development which is less gender biased.
- In health, shifts in resources to family planning, nutrition and maternal health care (usually neglected) and away from curative care will benefit women.
- In agriculture, research and extension emphasis given to crops which provide women with income and food security, on-farm processing and storage, and tree farming, are activities which help women.
- Impact analysis needs to look at impact not just at the household level but differentially within the household.

To develop mechanisms through which greater participation of women in the design and implementation of adjustment programs can be strengthened, requires the commitment of all key parties. Participatory preparation, and Beneficiary Assessments, in which both men and women are consulted, should be an integral part of defining the country vision and development strategy.

Workshop participants proposed that the issue of gender and adjustment be reviewed in 18 months in order to verify progress and the Government of Canada will host and co-chair this workshop work with the World Bank. This review should focus among other things, on the ways in which attention to gender-responsive reform policies specifically contribute to strengthening supply response and human resource development under adjustment.

It was agreed that there should be periodic follow-up by the participating donor agencies on progress made in achieving the objectives set out.

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